



STATE BOARD OF EQUALIZATION  
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Third District, Los Angeles County

DIANE L. HARKEY  
Fourth District, Orange County

BETTY T. YEE  
State Controller

CYNTHIA BRIDGES  
Executive Director

**STATE BOARD OF EQUALIZATION MEETING**  
**450 N Street, Room 121, Sacramento**  
**NOTICE AND AGENDA**  
**Meeting Agenda (as of 1/14/2015, 3:00 PM)**

[Agenda Changes](#)

[Webcast on Wednesday, January 21, 2015](#)

**Wednesday, January 21, 2015**

**10:00 a.m. Board Committee Meetings Convene\***

**Board Meeting convenes upon Adjournment of the Board Committee Meetings\*\***

Agenda items occur in the order in which they appear on the agenda. When circumstances warrant, the Board's Chair may modify the order of the items on the agenda.

**Board Committee Meetings\***

[Legislative Committee](#) ..... Ms. Ma, Committee Chairwoman

**I. 2015 Legislative Proposals**

Set forth below are suggestions for property taxes and business taxes legislation to be sponsored by the BOE in the first year of the 2015-16 legislative session.

**2015 Legislative Proposals: Property Taxes**

- 1-5 Amend Revenue and Taxation Code Section 401.10 to extend for five years the assessment valuation methodology for intercounty pipeline rights-of-way, which are otherwise scheduled to sunset.
- 1-6 Amend Revenue and Taxation Code Sections 11292 and 11293 and repeal Sections 11206 and 11294 of the Private Railroad Car Tax Law to change the method of measuring presence in California from car days to mileage.

**2015 Legislative Proposals: Business Taxes**

- 2-1 Add Government Code Section 12419.14 and Revenue and Taxation Code Section 6836 to authorize the BOE to enter into a reciprocal agreement with the United States Department of the Treasury's Bureau of the Fiscal Service (BFS) to collect delinquent tax debt owed to the BOE by offset of federal vendor payments. In return, allow the federal government to collect delinquent federal non-tax debt by offset of BOE tax refund and vendor payments.

### 2015 Legislative Proposals: Business Taxes: Sales and Use Taxes

- 3-1 Add Revenue and Taxation Code Section 6278 to the Sales and Use Tax Law to impose sales tax on a person's retail sales of vehicles, when the Department of Motor Vehicles determines that person failed to hold a dealer's license required under the Vehicle Code at the time of sale.

### 2015 Legislative Proposals: Business Taxes: Special Taxes and Fees

- 4-1 Amend Government Code Section 8670.40 to (1) clarify who owes and pays the oil spill prevention fee, (2) exclude from fee imposition and collection petroleum products derived from fee-paid crude oil, and (3) delete the unnecessary oil pipeline operator registration requirement. This proposal also clarifies definitions in the Revenue and Taxation Code. (Housekeeping)
- 4-2 Amend Revenue and Taxation Code Sections 7510, 8707, 8714 and 60185 to increase the reinstatement fee on motor vehicle fuel, use fuel and diesel fuel accounts from \$50 to \$100 to adjust for inflation and be consistent with both the Sales and Use Tax Law and the Cigarette and Tobacco Products Licensing Act Law.
- 4-3 Amend Revenue and Taxation Code Sections 7360, 8651, and 60050 of the Motor Vehicle Fuel Tax Law, Use Fuel Tax Law, and Diesel Fuel Tax Law, respectively, to specify the effective dates related to state fuel tax rates when triggered by a reduction or elimination of federal fuel taxes. (Housekeeping)
- 4-4 Amend Revenue and Taxation Code Sections 41030 and 41032 to change the notification date and method of publicizing the Emergency Telephone Users (911) Surcharge Act rate. Amend Section 42010 to make conforming seller debt provision changes to the Prepaid Mobile Telephony Services (MTS) Collection Act. (Housekeeping)

Property Tax Committee .....Mr. Horton, Committee Chairman

1. Discussion and authorization to initiate the rulemaking process for Property Tax Rule 308.6, *Application for Equalization by Member, Alternate Member, or Hearing Officer*.

### Board Meeting\*\*

### Organization of the Board

- The Board will vote to elect a Chair and Vice Chair.
- A. Homeowner and Renter Property Tax Assistance Appeals Hearings  
There are no items for this matter.

**B. Corporate Franchise and Personal Income Tax Appeals Hearings**  
(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

**B1. Matthew Zises, 795292 +**

For Appellant: James M. Parks, Representative  
Jennifer Stookey, Representative  
For Franchise Tax Board: Andrew Amara, Tax Counsel  
Fred Campbell-Craven, Tax Counsel

~~**B2. Jess Sullivan, 756078 +**~~

~~For Appellant: Jess Sullivan, Taxpayer~~  
~~For Franchise Tax Board: Samantha Nguyen, Tax Counsel~~  
~~Fred Campbell-Craven, Tax Counsel~~

**C. Sales and Use Tax Appeals Hearings**  
(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

**C1. Elias Abdallah Haggar, 597730 (BH) +**

For Petitioner: Jeries Y. Tannous, Representative  
For Department: Scott Lambert, Hearing Representative

**C2. Terravant Wine Company, LLC, 717959 (AR) +**

For Petitioner: Matthew B. Andresen, Representative  
Steven J. Roth, Attorney  
For Department: Andrew Kwee, Tax Counsel

~~**C3a. Hanzell Vineyards, Ltd., 576196 (JH) +**~~

~~**C3b. GMIC Vineyards, LLC, 610170 (JH) +**~~

~~For Petitioners: William J. Schlinkert, Attorney~~  
~~For Department: Erin Dendorfer, Tax Counsel~~

There are no items for the following matters:

- D. Special Taxes Appeals Hearings
- E. Property Tax Appeals Hearings

**F. Public Hearing**

**F1. Regulation 6001, General Provisions +** ..... Ms. Willy

Public hearing regarding the adoption of proposed amendments to appendices A and B to Regulation 6001 containing the Board's conflict of interest code.

**G. Tax Program Nonappearance Matters – Consent**(Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)**G1. Legal Appeals Matters ..... Mr. Angeja**

- Hearing Notice Sent – No Response
  - 1a. Adnan Y. Daher and Marlaine B. Daher, 611324 (BH)
  - 1b. Adnan Y. Daher and Marlaine B. Daher, 611326 (BH)
  - 1c. Adnan Y. Daher and Marlaine B. Daher, 611328 (BH)
  2. Ideal Hardware Supply, LLC, 592651 (CH)
  3. Nawal Kharsa, 649606 (BH)
  4. Gwendolyn Carol Sanders-Mohamed and Nagi Ali Mohamed, 646268 (CH)
  5. Oak Tree Alternative Care, A California Non-Profit Mutual Benefit Corporation, 597897 (EH)
  6. Robin R. Reichert, 488855 (BH)
  7. Specialty Merchandise Corp., 605598, 609297 (AR)
- Petition for Release of Seized Property
  8. Layla Solutions, LLC, 842569 (STF)

**G2. Franchise and Income Tax Matters ..... Mr. Epolite**

- Decisions
  1. Raymond Anderson, 742276
  2. Nelia R. Casanas, 574417
  3. Commercial Financial Services, Inc., 612438
  4. Pamela Davis, 709579
  5. Stephen Dove, 775223
  6. Fox Meadows Software, LTD., 739078
  7. Mary Anne Gilles, 732200
  8. Nakhle Haddad, 772625
  9. Joseph P. Handleman (Dec'd.) and Courtney Callahan, 609157
  10. Arthur J. Hovind, 671061
  11. Michael Hulbert and Marlene Hulbert, 735175
  12. J D Rockefeller, Jr. Trust, 768224
  13. Camille Mahan, 785311
  14. Allen W. Martin and Rebecca Martin, 740792
  15. Charlotte B. Montgomery, 807763
  16. Michelle-Anne Oura, 779209
  17. Aluizio Prata and Maria T.B. Prata, 808753
  18. Quad State Mobile Trackmasters, 717594
  19. Michael Scott, 770891
  20. Ryan Swedlund, 790629
  21. Julian Taylor, 740756
  22. Ruby Tena, 796199
  23. Bernard Tse and Grace Tse, 792429
  24. Daryl Yodis and Matthew D. Yodis, 756087
- Petitions for Rehearing
  25. Kenneth Cook and Margery Cook, 727426
  26. Jeffrey A. Foresta, 762692, 763560, 763561
  27. Roosevelt Madison and Paula Madison, 593006

**G3. Homeowner and Renter Property Tax Assistance Matters**  
There are no items for this matter.

## G4. Sales and Use Taxes Matters .....Mr. McGuire

## ➤ Redeterminations

1. Siemens Healthcare Diagnostics, Inc., 779152 (OH)
2. Varian Medical Systems, Inc., 534962 (GH)
3. Siemens Financial Services, Inc., 740898 (OH)
4. Malibu Subway, Inc., 807292 (AS)
5. Metropark USA, Inc., 586509 (AP)
6. Sunspas & Health, Inc., 591936 (KH)
7. B.J. International, Inc., 523734 (AP)
8. B.J. International, Inc., 515472 (AP)
9. Sunspas & Health, Inc., 592655 (KH)
10. National Instrument, LLC, 788622 (OH)
11. Trimedx, LLC, 823061 (OH)

## ➤ Relief of Penalty/Interest

12. Ralphs Grocery Company, 849946 (OH)
13. Mrs. Gooch's Natural Food Markets, Inc., 849884 (OH)
14. Food 4 Less of California, Inc., 849886 (OH)
15. Windset Farms (California), Inc., 849883 (AR)

## ➤ Denials of Claims for Refund

16. LCI Holdings, Inc., 846934 (OH)
17. Siemens Energy, Inc., 623744 (OH)
18. XO Communications Services, Inc., 742766 (OH)
19. New Cingular Wireless PCS, LLC, 757004 (OH)

## ➤ Grant-One Day Interest Relief

20. Coach, Inc., 849887 (OH)

## G5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds .....Mr. McGuire

## ➤ Credits and Cancellations

1. Mueller Systems, LLC, 850060 (OH)
2. L.A. Hair Straightener, Inc., 842634 (AC)

## ➤ Refunds

3. Camacho Auto Sales, Inc., 768615 (SO)
4. Toro Petroleum Corporation, 794495 (GH)
5. Wells Fargo Bank, National Association, 849024 (OH)
6. Advent Software, Inc., 742772 (BH)
7. Selway Machine Tool Co., Inc., 839870 (CH)
8. Western Oilfields Supply Co., 736280 (DF)
9. Emulex Corporation, 846939 (EA)
10. Professional Hospital Supply, Inc., 808054 (EH)
11. State of California, 788456 (KH)
12. Cerner Corporation, 788451 (OH)
13. LCI Holdings, Inc., 846934 (OH)
14. Westinghouse Air Brake Technologies Corporation, 792085 (OH)
15. BMW of North America, 848873 (OH)
16. Skyview Construction Co., 843100 (OH)
17. Mobile Mini, LLC, 742368 (OH)
18. Siemens Energy, Inc., 707160 (OH)

19. Specialty Laboratories, 665533 (OH)
20. Lightriver Technologies, Inc., 843103 (CH)
21. Broadcom Corporation, 847283 (EA)
22. Wescom Credit Union, 812797 (AP)
23. XO Communications Services, Inc., 742766 (OH)
24. Cal Fuel Purchasing Group, LLC, 730455, (AS)
25. Eastgate Petroleum, LLC, 845408 (KH)
26. GF Wines, LLC, 846144 (JH)
27. TGB Products, LLC, 847671 (GH)
28. Alaska USA Federal Credit Union, 683019 (OH)

G6. Special Taxes Matters

There are no items for this matter.

G7. Special Taxes Matters – Credits, Cancellations,  
and Refunds .....

Ms. Bartolo

➤ Refunds

1. Anheuser-Busch, Inc., 791951 (STF) 'CF'
2. Chemoil Corporation, 811973 (STF)

There are no items for the following matters.

G8. Property Tax Matters

G9. Cigarette License Fee Matters

G10. Legal Appeals Property Tax Matters

**H. Tax Program Nonappearance Matters – Adjudicatory**

(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

There are no items for the following matters:

H1. Legal Appeals Matters

H2. Franchise and Income Tax Matters

H3. Homeowner and Renter Property Tax Assistance Matters

H4. Sales and Use Taxes Matters

H5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds

H6. Special Taxes Matters

H7. Special Taxes Matters – Credits, Cancellations, and Refunds

H8. Property Tax Matters ..... Mr. Kinnee

➤ Petition-Reassessment of Private Car Tax

1. National Railway Equipment Company (6530), 840986 'CF'
2. SMBC Rail Services, LLC (6531), 847557 'CF'

There are no items for the following matters:

H9. Cigarette License Fee Matters

H10. Legal Appeals Property Tax Matters

**I. Tax Program Nonappearance Matters**

(Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)

- I1. Property Taxes Matters..... Mr. Kinnee
  - Audit
    - 1. Dynegy Moss Landing (1103) 'CF'
    - 2. La Paloma Generating Company, LLC (1112) 'CF'
    - 3. Spok, Inc. (3430) 'CF'
    - 4. Tremcom International, Inc. (7538) 'CF'
    - 5. Purple Communications, Inc. (7999) 'CF'
    - 6. Vodex Communications Corporation (8160) 'CF'
  - Unitary Land Escaped Assessment
    - 7. Verizon California, Inc. (201) 'CF'
    - 8. U.S. TelePacific Corp. (7757) 'CF'
- I2. Offer in Compromise Recommendations ..... Mr. Anderson
  - 1a. Nam Van Dang
  - 1b. Asiaican, Inc.
  - 2. Cecilia Gomez
  - 3. Marco Antonio Salinas
  - 4. SIPS Café, Inc.
- I3. Local Tax Reallocation Matters
 

There are no items for this matter.

**Chief Counsel Matters**

Items that appear under these matters provide information to the Members and may require Board action or direction.

**J. Rulemaking****Section 100 Changes**

- J1. *Property Tax Rule 472, Valuation of Real Property Interests in Timeshare Estates and Timeshare Uses; Rule 902, Unitary Property Value Indicators and Staff Discussions; and, Rule 904, Unitary and Nonunitary Property Value Determinations and Petitions for Reassessment +* ..... Mr. Heller

Staff request for authorization to complete Section 100 changes to update statutory references in Rules 472, 902, and 904, and to correct a typographical error in Rule 904.

There are no items for the following matters:

- K. Business Taxes
- L. Property Taxes
- M. Other Chief Counsel Matters

## Administrative Session

Items that appear under these matters provide information to the Members and may require Board action or direction.

### N. Consent Agenda ..... Ms. Richmond (Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)

#### N1. Retirement Resolutions +

- David Bacon
- Richard Bengston
- Carl Bessent
- Alice Cantu
- Quirino "Willie" Jacques
- Rhonda Krause
- Rudy Mendez

#### N2. Approval of Board Meeting Minutes

- December 18, 2014 ++

#### N3. Adoption of Property Tax Form +

- BOE-305-AH, *Application for Changed Assessment*

Revised to: change name to *Assessment Appeal Application*; provide additional information in the paragraph under the title of the form; redesign the Agent Authorization section; and, expand the Property Type section.

### O. Adoption of Board Committee Reports and Approval of Committee Actions

- O1. Legislative Committee
- O2. Property Tax Committee

### P. Other Administrative Matters

#### P1. Executive Director's Report ..... Ms. Bridges

##### 1. Approval of Board Meeting Date Change +

Proposal to change August 18-20, 2015 Culver City Board Meeting Date to August 11-13, 2015.

##### 2. CROS Project Update and Actions ..... Mr. Steen

Progress on the CROS project to replace BOE's two current tax legacy technology systems.

There are no items for the following matters:

- P2. Chief Counsel Report
- P3. Sales and Use Tax Deputy Director's Report
- P4. Property and Special Taxes Deputy Director's Report
- P5. Administration Deputy Director's Report
- P6. Technology Deputy Director's Report
- P7. External Affairs Deputy Director's Report



Announcement of Closed Session ..... Ms. Richmond

**Q. Closed Session**

Q1. Discussion and approval of staff recommendations regarding settlement cases (Rev. & Tax. Code, §§ 6901, 7093.5, 30459.1, 50156.11).

Q2. Discussion and action on personnel matters (Gov. Code, § 11126(a)).

Announcement of Open Session..... Ms. Richmond

**Adjourn**

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The hearing location is accessible to people with disabilities. Please contact Rose Smith at (916) 323-9656, or email [Rose.Smith@boe.ca.gov](mailto:Rose.Smith@boe.ca.gov) if you require special assistance.

Joann Richmond, Chief  
Board Proceedings Division

- \* Public comment on any committee agenda item will be accepted at the beginning of the committee meeting. Subsequent to committee meetings, committee agenda items may be taken up separately during the Board meeting.
- \*\* Public comment on any agenda item, other than a Closed Session item or an item which has already been considered by a Board Committee, will be accepted at that meeting.
- + Material is available for this item.
- ++ Material will be available at a later date.
- ‘CF’ Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.